



South Sound Health Communication Network

The Network

“Connecting Providers & Patients Across Communities”

Case Study: The Workflow Advantage to a Community-based Clinic December 1, 2004 – November 30, 2005

Since December 1, 2004 we have monitored a seven-physician clinic in Pierce County, Washington, which has implemented **The Network** as one of several IT solutions. The clinic adopted the community connectivity solution to improve office communication workflow, care delivery and operational savings.

The clinic's total staff number about 50 persons. They use approximately 70 desktop computers which are networked and tied to an office-based EMR (Practice Partners). At this time, there is no interface between **The Network** and Practice Partners, so the estimates of workflow improvements provide a conservative estimate compared to what is possible with seamless communication between the EMR and **The Network**.

Assessing the impact of **The Network** adoption was drawn from an examination of line-item accounting audits for the 12-month period up to 12/1/04. This period served as the “baseline” or “control” data. This was then compared to the same line-item expenses for the period 12/1/04 through 11/30/05.

The following is a breakdown of the 12-month clinic line-item cost savings incurred during the monitoring period. The Network was in use for the entire period, though its utility and effectiveness to the clinic evolved as **The Network** gathered additional community users.

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Costs associated with adoption of The Network:

Sustaining Network subscription @ \$40/month/physician	\$3360
High speed internet connection @ \$60/month	\$720
Initial orientation & training fee	\$150
- Covers 3 hours of The Network staff time to orient practice	
- Future training covered by subscription fee	
Practice staff hours	\$1,350
- 15 total practice staff hours for training of system (training of 5 staff over 3 hours)	
- 30 total staff hours to begin old data conversion	
- 2 staff members over 2 day of focused work	
- Enters patient name to establish account as needed	
- Done otherwise upon return of existing patients or entry of new patients to practice	
Total practice cost for Network implementation	\$5580
Total cost per physician	\$797

Cost savings during pilot period (12/1/04 – 11/30/05) compared to 12 months prior:

Administrative supplies, forms, printing, printer and scanner supplies	\$7,142
FTE reduction due to manual tasks eliminated by use of The Network for intra- and inter-office communication and task processing	\$19,600
Off-site dictation cost reductions made possible by transporting completed dictation in-bound inside The Network	\$7,525
Total workflow cost savings	\$34,267
Savings per physician	\$4,895

Net savings & return on investment (ROI):

Clinic-wide savings	\$34,267
Costs for clinic-wide implementation	\$5,580
Net savings for clinic	\$28,520
Savings per physician	\$4,895
Costs for implementation	\$797
Net savings per physician	\$4,098

	<u>Ratio</u>	<u>Percentage</u>
ROI on annual service fee	8.5:1	853.75 %
ROI of total investment including staff time	6.14:1	614.18 %

Notes on practical application:

All but \$14,700 are one-time cost savings provided to the clinic. Additional cost savings are expected as a result of a proposed project slated for 2006 in which an interface will be built between **The Network** and the Practice Partner EMR employed in this clinic. The office manager estimates that the workflow improvements (paperwork) and manual labor time reduction that will result from this one step will be three times the savings realized in the first year of using **The Network**.

Principle savings are expected to be derived from electronic processing of all steps of the referral process, medical chart request processing, lab downloads from all participating labs, and receipt of medical imaging with a subsequent reduction in telephone, faxing, copying, and scanning time which currently consumes the time of about 3.5 FTE.

A three-fold cost reduction estimate includes savings from reduced demand on office supplies required for non-electronic processing. On-going savings by using **The Network** interfaced with the EMR are estimated to be about \$15,000 a year, or \$2,143 per provider.